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Editor Stewart Clarke • stewart.clarke@informa.com • @TBIstewart

Deputy editor Jesse Whittock • jesse.whittock@informa.com • @TBI_Jesse

Sales manager Kate Roach • kate.roach@informa.com

Art director Matthew Humberstone • matthew.humberstone@informa.com

Publisher Tim Banham • tim.banham@informa.com

Published by Informa Telecoms & Media, Mortimer House,
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Rainbow's sunny outlook

Italian animation studio Rainbow hits 20 this year, but CEO Iginio Straffi says the firm hasn't got the credit it deserves. Jesse Whittock reports from Rainbow's headquarters on Italy's Adriatic coast

In Rainbow's spectacular head office in the rolling hills of Loreto, nearly 300kms east of Rome, founder, president and CEO, Iginio Straffi, is telling TBI why the company is making a concerted international media push.

"We want to make a statement," he says. "In Europe, there are very few companies that can boast our revenues, profit and success, but because we are Italian and not based in a major city are not perceived as a big brand. The BBC, which is the biggest European producer of kids content, probably thinks Rainbow is just another animation company."

Straffi admits he is "probably the lowest profile CEO" in kids TV. Coming from Loreto, where the people are "hard-working and humble" this is natural, but, he says, this will change.

"The licensing world knows us better, but my team and our PR company think that we have somewhat forgotten to tell people who we are."

Rainbow registers 20 years in business in 2015, and the last 15 of those, Straffi says, have been profitable. "This [financial] year isn't yet closed, but in the nine months so far we are seeing double-digit growth. We're a debt free company and a cash generator every year."

Much of Rainbow's success has been built on the back of girls fantasy-action brand *Winx Club*, which began life as a coproduction with Italian pubcaster Rai in 2004 and has since spawned six more seasons, the latest of which launches this year.

The show was developed in-house and continues to be produced at Rainbow's head office (Rainbow claims to be the only Italian

prodco capable of managing all stages of producing animation in-house.)

Last year was *Winx*'s tenth anniversary on air, which was marked by what Rainbow calls a "landmark" deal with Chinese state broadcaster CCTV that will see *Winx* and other Rainbow shows run on the latter's channels, and the development of a *Winx* theme park in China.

The firm has also had TV success with *Mia and Me*, a coproduction with Germany's M4E, and has launched boys-skewed brands such as *Huntix – Secrets & Seekers*. Its licensing and merchandise division, which harnesses the fashion-infused tone of *Winx* is ranked, in independent tests, the twelfth-largest in the world. Rainbow MagicLand, which opened in 2011, is the second-largest theme park in Italy.

In 2011, Viacom took a minority share in

the privately-owned company and became a coproducer on *Winx Club*'s fifth and sixth seasons. The brand has struggled to resonate with girls in the US, as that market tends to act separately to the rest of the world, but international deals for the show, which is in around 150 territories, continue to roll in.

"We have just closed a deal in Brazil with TV Cultura," says Rainbow's head of sales and coproductions, Andrea Graciotti. "We will launch season one of *Winx*, but are focusing on all seasons including five and six. It's a big broadcasting commitment for the next 18 months: we have it written in the contract that it has to be a regular [fixture] in the same time slot every day. My job is not just to get the coproductions and sales deals, but to ensure the consumer products side is done correctly."

Besides overseeing the *Winx* brand, Graciotti is close to securing presales on Rainbow's latest in-house properties, *Royal Academy* (WT) and *My American Friend*, with long-term local partner and Italian pubcaster, Rai.

Royal Academy follows a seemingly normal girl, Rose Cinderella, who passes through a magical door and finds that she is actually the granddaughter of the original fairy tale heroine and a student of a school for fairy tale characters. The 26x30mins comedy will target girls 6-10 and compete in the same space as Mattel's web series property *Ever After High*.

My American Friend is the studio's first full live-action drama-comedy, and comes through a new division, Rainbow Entertainment. Aimed at girls aged 8-12, the 26x26mins series follows an American girl who makes friends with a self-proclaimed Italian 'princess' after winning a two-year scholarship at the Milan Fashion Academy. Straffi says its creation underlines Rainbow's ambition to "always explore new and innovative ways of working".

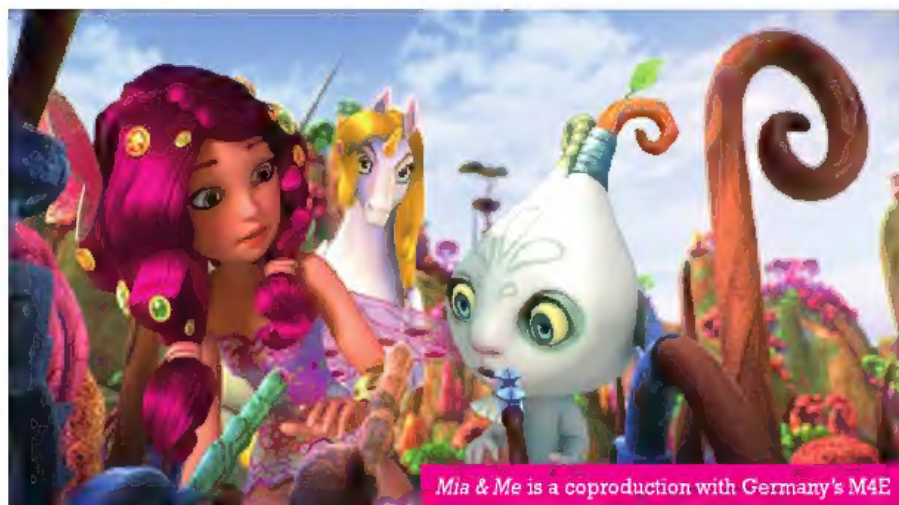
That approach is evident in the firm's push into digital distribution. With *Winx* running to 156 episodes so far and an animation studio equipped to quickly turn around content if required, Rainbow has moved to secure deals with the likes of Netflix, mobile operators and Chinese on-demand platforms.

A pact with Netflix will see a pair of new *Winx* properties, *Winx Club WOW* and *World of Winx*, run exclusively on the international SVOD streamer in 2016.

Rainbow's VP of content, digital and VOD, Cristiana Buzzelli says that while much of her deal-making to this point has been for library



From top: *Winx Club*, *Mia & Me* and *Royal Academy*



Mia & Me is a coproduction with Germany's M4E

programming, the opportunity to create original short-form is reaching maturity.

"At the moment, our deals with mobile operators are for library content, but we are in discussions for something more," she says. "You can watch a half-hour programme on a mobile, but because of bandwidth and the kind of consumption, [long-form] is not the most suitable. We're now trying to shift more into short-form. The advantage we have is a huge library, but also in-house production."

Similar discussions are underway with Chinese VOD platforms such as Youku Tudou and iQiyi, both of which have moved heavily into original programming in the past 18 months.

"The two biggest players from China are stepping into video in a massive way, but they are not familiar with the European production studios," says Buzzelli. "You really have to do a lot of education. The approach was to first let them understand our content does generate revenues, and then to discuss the possibility of

original development. We're in the early stages of discussions."

While budgets are unlikely to be on the same scale as investment from Netflix or Amazon, Buzzelli says talks over individual projects have



"We don't know if the synergy with Viacom has worked perfectly yet, but the perfect industrial partner would make me think"
Iginio Straffi

taken place with the Chinese and adds this has played into Rainbow's wider diversification strategy. "It's another reason we stepped into live-action with *My American Friend* – it is



Winx Club: going strong after six seasons

quicker to produce and could be more appealing than animation in some territories."

She is also keen on working with YouTube Kids, the new dedicated app from the Google-owned video site, with the expectation among programmers in the children's TV industry that the platform will eventually launch a subscription version.

"That will create long-form programming opportunities," says Buzzelli.

Straffi sees on-demand as the natural place for children's TV to migrate to in 2015. "I see a very, very obvious evolution of the kids TV business from appointment TV for your favourite cartoon to watching when you want, at any time, any hour."

"With DVD and the video market effectively finished, the natural replacement is VOD. Kids are very familiar with apps, computers and streaming, and the natural answer is VOD or SVOD."

As Rainbow's profile is set for a lift, there will inevitably more players checking out its wares, especially with Viacom already as an investor. With the company profitable and M&A rife in entertainment at present, Straffi is aware larger players may pounce.

"We've had plenty of offers from private equity and the finance world, which is not where I want to take the company," he says. "I'm not looking to cash out."

Nick will not coproduce season seven of *Winx* having been a copro partner on the previous two runs, but will still transmit the show, and the Viacom partnership continues strong.

"We don't know if the synergy with Viacom has worked perfectly yet," Straffi says, "but an industrial partner – someone that fits the company perfectly – would make me think because there have been some very successful mergers where the smaller company has benefitted through distribution and making the business better." **TBI**



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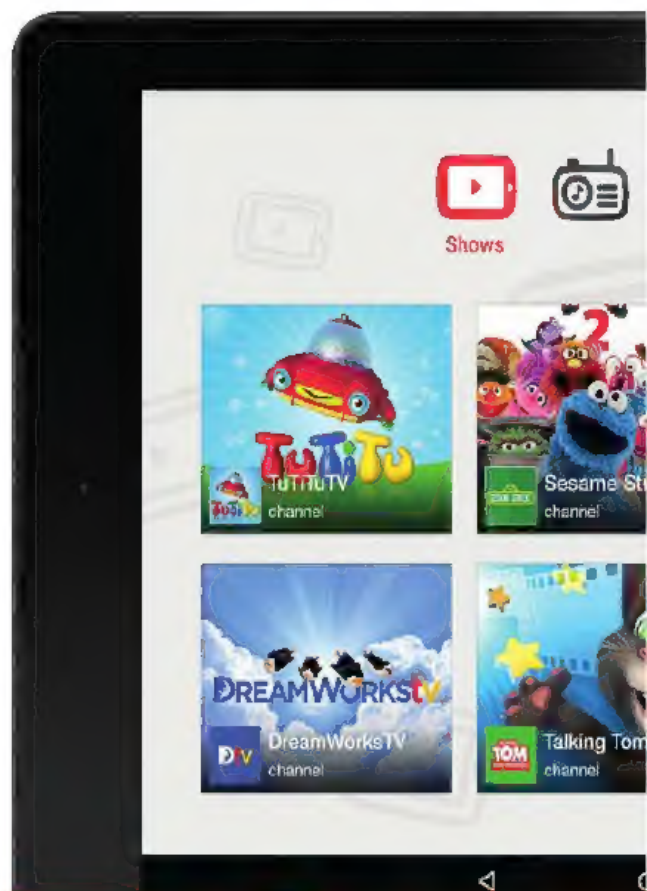
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That there are now several generations of digital natives is a given, as is the fact that the current crop of 2-8 year-olds are more thoroughly immersed in the digital world than any generation that went before. As a demographic they have little or no visceral attachment to where their favourite shows are coming from. As FremantleMedia's Bob Higgins says: "The kids audience has had less time to develop traditional TV habits and will be more willing to go to YouTube first, providing it has the most compelling content."

Stellar 200% year-on-year growth in YouTube's family entertainment space versus 50% on the main YouTube platform indicates that this is already the case, and, for YouTube, the launch of a kids' service was an attempt to provide a product to meet a rapidly snowballing demand.

Malik Ducard, global head of family and learning at YouTube, says interactivity is a key difference between the way kids interact with content on YouTube and a traditional linear channel. "Family/learning has been a big growth category for us and one of the things we have seen is that a lot of our users regard themselves as creators," he says. "Their experience doesn't end when the credits roll – they want to make their own videos or engage in other ways that combine video with playtime."



You(th)Tube

The launch of the YouTube Kids app in the US in February has been greeted with unanimous approval by content companies both big and small. Gary Smith reports

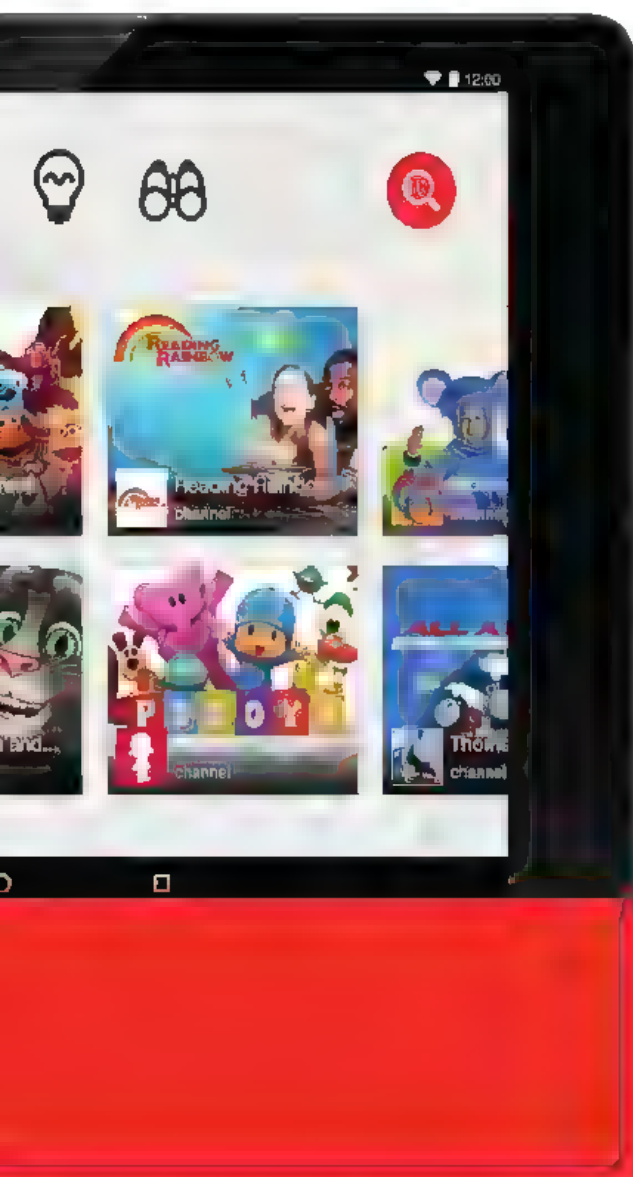
That interactive mindset is built into the DNA of the kids app, Ducard says. "Our content partners, which include the likes of Dreamworks, Jim Henson, Sesame Workshop, Hit Entertainment and National Geographic Kids, have built channels for the app, and while those channels carry episodes of shows like *Furchester Hotel* and *Thomas The Tank Engine*, they are also building new IP to extend the fan experience. An example is Hit's new content for its *Thomas* channel, based on the idea that Thomas is leaving the Isle of Sodor to go on a world adventure."

YouTube had to circumnavigate the US' COPPA legislation (Children's Online Privacy Protection Act), which forbids data collection on anyone under 13-years-old. Hence, in principle, no-one under that age should have signed up for a YouTube account. The workaround is that YouTube Kids is a 'logged-out' service. Users don't

register, and they can't make comments or 'favourite' videos. Instead the system recognises each device and IP number in order to be able to make recommendations.

This new style of data collection presents a challenge to content providers. "Tagging is more important than ever, so much so that YouTube is actively advising producers on how best to do it in order that they don't get missed out in searches and user profiling," Greg Childs, director of not-for-profit group the Children's Media Foundation, says. "I'm very happy to see that YouTube is taking responsibility in the same way that broadcasters have to. Recognising the presence of children and their needs is something we've been talking to them about for the last 18 months."

"What the app provides is a mini-version of YouTube where searches can only pull up material suitable for kids



of eight and under. Plus it listens to the dialogue, so UGC expletive-laden versions of kids shows like *Peppa Pig* are weeded out, and you can't search under words like 'sex', for example. Really, my one reservation is that the service doesn't take into account 8-13 year-olds, although the company is currently considering introducing a service catering to that segment as well."

For the moment, content firms are generally looking to leverage the ability to offer up bite-size pieces of broadcast shows on the service, as Higgins, FremantleMedia Kids & Family Entertainment's executive VP, creative and production, explains: "We currently use YouTube as a fun, easily shareable extension of our brands, like having a sing-along version of the *Kate & Mim-Mim* theme, or UGC clips of *My Babysitter's A Vampire*. We've spoken with YouTube about longer form exhibition and exploring how that might co-exist with linear broadcasts, and those discussions continue."

How disruptive the app could be for established players is dependent upon the digital video giant allocating time,

energy and resource to the service. "If they do, I think they will be a big player," Higgins says. "Much of YouTube Kids' success will have to do with content choices, getting the word out to the audience, [parents'] ability to police and control, and the ease of navigation, but any time a new player enters the field, it's a good thing. It makes everybody step up their game and innovate to compete for eyeballs."

Birk Rawlings, head of DreamWorksTV, agrees. "The kids' app expands the playing field, and for me there's no question that this represents a paradigm shift for the kids' TV industry," he says. "We've known a for a while that families spend a lot of time on the [YouTube] platform, and now that can be done in a locked-down environment featuring a lot of top drawer TV channels like DreamWorksTV National Geographic Kids Thomas the Tank Engine and Jim Henson Family TV."

DreamWorksTV's offer features 30-plus shows, including *Life Hacks For Kids* brand new talkshow *Swamp Talk*, and video blogs from *Shrek*, *Puss in Boots* and *Po*.

Jim Henson Family TV was one of the first SVOD channels on YouTube with titles including *Pajanimals*, *Sid the Science Kid* and *Fraggle Rock*. The company is one of five strategic partners for YouTube working closely with it on the marketing and positioning of the app.

"After we had gone into business with Legendary Pictures on The Nerdist Channel we also started working more closely with YouTube, especially concerning navigation and safety, which helped them to figure out how to create the kids' service," Richard Goldsmith, executive VP, global distribution and international consumer products at The Jim Henson Company, says. "Having seen the development of the app I'm extremely impressed by the commitment to get it right, by the quality of the management team behind this, and the sheer effort and investment involved. It's unlike any other kids' destination, it's safe and it's suitable for any kind of kids' content in the 2-8 bracket."

Ben Butterworth's UK indie Snapper Productions' is currently preparing a channel for the app based on its *Q Poodle 5* property.

"We're currently fine-tuning the content management system, but we'll be launching imminently," he says. "I consider the service to be indicative of changing consumption habits, but it doesn't mean traditional channels are over by any means, because YouTube is a very different experience to watching TV. As a producer it's another means of getting a show out there, and in terms of driving eyeballs back to TV, it presents a great opportunity to introduce new shows with teasers and exclusive content."

YouTube will soon to expand its offer, as well as making the app available internationally, and in other languages. Given the broader ramifications of YouTube's move and how established broadcasters might react, 2015 is shaping up to be a pivotal year in kids entertainment. **TBI**

Hold tight!

The updated version of Canada's SATVTV is back

Digital disruption and an end to regulatory protection has some in the Canadian kids business worried, but while content providers have one less broadcaster to pitch following the sell-off of Astral Media's assets, they are optimistic that the same new platforms threatening traditional TV will provide them with greater global reach. Mark Dillon reports

The most recent statistics point to a rebound in Canadian children's and youth TV production. Volume climbed to C\$352 million (US\$280.7 million) in 2013/14, up from \$317 million in 2012/13, according to Profile 2014, the latest release from the Canadian Media Production Association. This, however, remains a far cry from the ten-year-high volume of \$428 million recorded in 2011/12.

While Canadian producers and distributors excel at selling shows into foreign territories, they have long relied on license fees from local commissioning broadcasters to get projects off the ground. It's a system complicated by broadcaster consolidation such as Corus Entertainment assuming full ownership of Teletoon Canada after buying out Astral Media last year.

"The number of commissioning agents for children's television and family entertainment is getting smaller, so to be dependent on original content is challenging," says Frank Falcone, president of Guru Studio. The animation house, which employs 270 staff, keeps revenues stable by dividing work between proprietary and service gigs.

However, Falcone anticipates more self-driven projects thanks, in part, to subscription video-on-demand. Guru is producing 26x11mins *Justin Time: The New Adventures*, a spinoff of its historically themed preschooler *Justin Time*, for a 2016 premiere on Netflix ahead of its launch on Disney Junior in Canada.

"It is a game-changer in terms of how we produce original content to have a partner that can fund it to that level and take it worldwide. We're seeing new projects with similar models

but we're not so dependent on the Canadian system," Falcone says.

Last year saw the emergence of a new broadcast player in DHX Media. The well-known distributor and producer bought specialty stations Family Channel and the Canadian iterations of Disney XD and Disney Junior from Bell Media, which in turn had acquired them in its purchase of Astral.

Other prodcos are concerned that the Canadian Radio-television and Telecommunications Commission has allowed DHX to direct up to 40% of Family's Canadian-content spend to its own productions. However, the truth is, according to DHX president and COO Steven DeNure, that changes little.

"At different times we have supplied nearly 40% or better to Family," he says. "We have been ramping up production over the last



Freaktown (left) and Zhu Zhu Pets (above)



Odd couple buddy-comedy *Max and Shred*

couple of years, and some has been for Family, but much has been for other broadcasters.”

A recent example is 20x30mins *Make It Pop*, a live-action tween musical comedy for Nickelodeon in the US and YTV in Canada. It is shooting at Toronto's Eptome Studio (see page 29), a soundstage acquired last year when the growing DHX bought Eptome Pictures, producer of the venerable *Degrassi* franchise.

DHX also has recently commissioned shows from indie producers including Radical Sheep Productions' 5x21mins *Fangbone!*, an animated comedy about a barbarian who ends up in a suburban elementary school. Other prodcos are waiting for DHX to greenlight more.

Holding up matters is the CRTC's recent decision to end the practice that sees television subscribers required to take – and pay for –

Canadian specialty channels they don't necessarily want as part of their cable and satellite packages.

This change provides greater consumer freedom, but the large subscriber base achieved through this channel-bundling has generated crucial revenue for funding original content. Even the long-term viability of DHX's kids channels, as well as Corus' Teletoon, YTV and Treehouse TV is threatened. Therefore, DHX is largely holding back on commissions for the time being. “We want to make sure we understand the landscape and not make any sudden moves,” DeNure says.

DHX is also contemplating a new direction for Family, which previously has been defined by its US Disney Channel imports. It scored a hit with Temple Street Productions' 8-14-skewed faux-reality 30x30mins dance

drama *The Next Step*, and the same team has reunited for 26x30mins spinoff *The Music Room*, set in an elite music programme. These single-camera series are challenging traditional US multi-cam sitcoms.

“Many of those sitcoms are starting to look the same, and audiences are feeling fatigue,” says Matt Hornburg, co-CEO of prodco Marblemedia. “*The Next Step* looks different and has been a huge success, which bodes well for production companies that can embrace live-action shows with a new aesthetic.”

These series also have caught on because of their serialised structure, which is a notion Marblemedia embraced with a digital add-on to its 12x22mins teen hospital mystery drama *Open Heart*, produced with Eptome for TeenNick and YTV.

“We made an app that pushed content to audiences throughout the week in between episodes,” Hornburg explains.

“It can't only be about talking to your audience at 9pm on Tuesday. You have to figure out a way to have them constantly engaged in your brand, otherwise they're just going to go to the OTT platform.”

Marblemedia is producing season two of the 39x7mins preschool series *Hi Opie!*, featuring a puppet character and produced with The Jim Henson Company. It also wrapped season one of hidden-camera comedy *Made Up*, a coproduction with Essential II for Disney XD in the US and YTV. Sales are handled by Distribution360, Marblemedia's international sales division.

While prodcos such as Marblemedia are ramping up distribution activity, other companies focused on distribution are looking to own more IP. Among these is Tricon Films & Television, which has produced reality and lifestyle projects and is looking to make a splash in animation with a 6-12 buddy comedy series to be announced around the time of MIPTV. The UK copro has broadcasters in the UK, US and Canada attached.

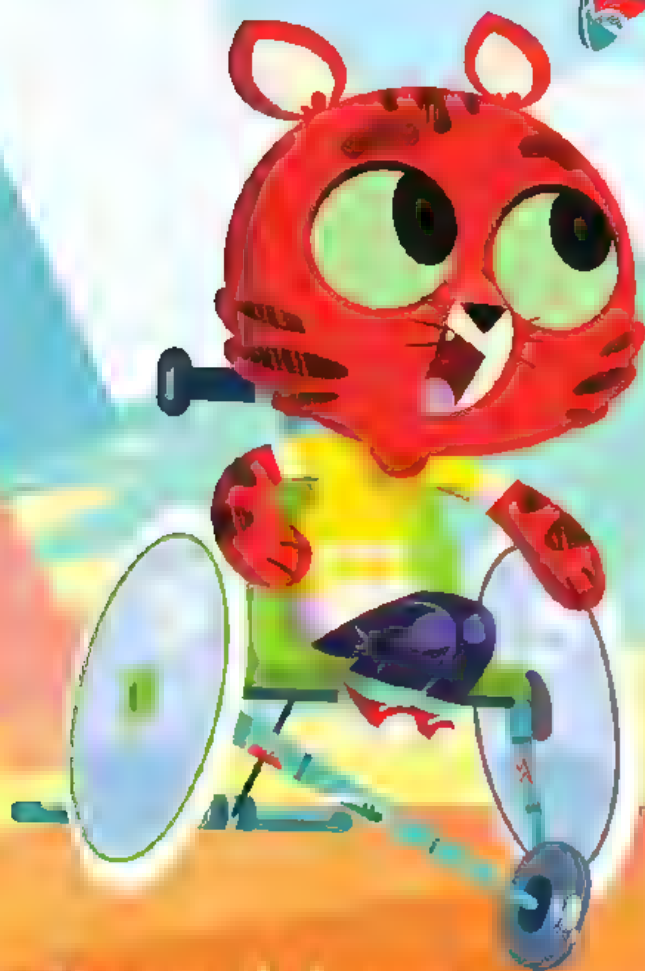
Telefilm Canada administers copro treaties with certain countries that enable producers on both sides to share resources and take advantage of each nation's funding incentives. The UK has become an increasingly attractive partner since introducing an animation tax credit in 2013, and this year will expand a live-action tax incentive to include kids programming.

“There's been a lot of growth there over the past two years – particularly in animation –

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Justin Time: being updated for Netflix

with the implementation of these tax credits," notes Frank Saperstein, Tricon's Los Angeles-based executive VP, kids, family and animation. "Among possible Canadian partners, certainly the UK has the most in common culturally given there isn't a Canadian coproduction treaty with the US."

Nelvana Enterprises, meanwhile, has found success partnering with Japan's d-rights. Previously collaborators on international hit *Beyblade*, the two companies have struck a deal for the tentatively titled 6-11 skewing *Battle of the Planets: Phoenix Ninyas*, which will update the 1978 *Battle of the Planets* series, itself an Americanisation of Japanese anime. Nelvana anticipates structuring the project as a treaty copro.

"*Battle of the Planets* is a property we loved, and we were excited when d-rights came to us looking to co-develop a reboot," says Irene Weibel, VP, head of subsidiary Nelvana Studio.

Another international brand partnership sees Nelvana developing a series tying into a relaunch of the ZhuZhu Pets robotic toys by US manufacturer Ceptia. It's all part of Nelvana's diverse portfolio that sees eight kids shows in production, balancing proprietary and service content. As a subsidiary of media

giant Corus Entertainment, it also always has commissioning broadcasters nearby.

"We want to have a broad array of content, some informed by pedigree. *Battle of the Planets* is a perfect example, as is *ZhuZhu Pets* in terms of its recent toy success," says Andrew Kerr, co-head of Nelvana Enterprises. "That international legacy piece is important, as is creating wholly owned original productions."

Canada has its own global brands such as *Anne of Green Gables*, based on Lucy Maud Montgomery's 1908 novel that has yielded generations of TV movies and series. Now producer and distributor Breakthrough Entertainment is in production on a 26x30mins TV movie adaptation and plans to announce broadcasters and talent around MIPTV. It also has more projects in development mining Canada's rich history of children's literature.

Just as international digital players such as Netflix are commissioning Canadian work, prodcos such as Breakthrough are also increasingly getting the green light from foreign broadcasters. It got the go-ahead for live-action 26x30mins odd couple comedy-drama *Max & Shred* through a partnership between Nickelodeon in the US and YTV.

"Sometimes we've developed a show with

international broadcasters and then brought it back to Canada, as with *Max & Shred*," says Breakthrough president Ira Levy. "It's happening more as the world is more connected. International broadcasters and platforms can identify Canadian talent and producers and they are open to our expertise in the kids area and our stable and robust subsidy system."

While excited by the prospects for VOD tablets and mobile, distributors and producers see it as early days and are proceeding cautiously.

"I was buying programmes when cable launched, which was a time of enormous growth, and it's similar with digital platforms now," says Linda Khan, Portfolio Entertainment's New York based head of international sales. "We're in this moment now of kids consuming media in different ways, and the deals we make need to take that into consideration and do the best for the properties we're selling," she says.

Regardless of how kids consume shows, one winning ingredient remains: relatable characters. That's why Portfolio has high hopes for 6-11-skewed 52x11mins comedy *Freaktown*, commissioned by Teletoon. The show is about a skeleton and his friends who may look freaky, but are perhaps more normal than the power-

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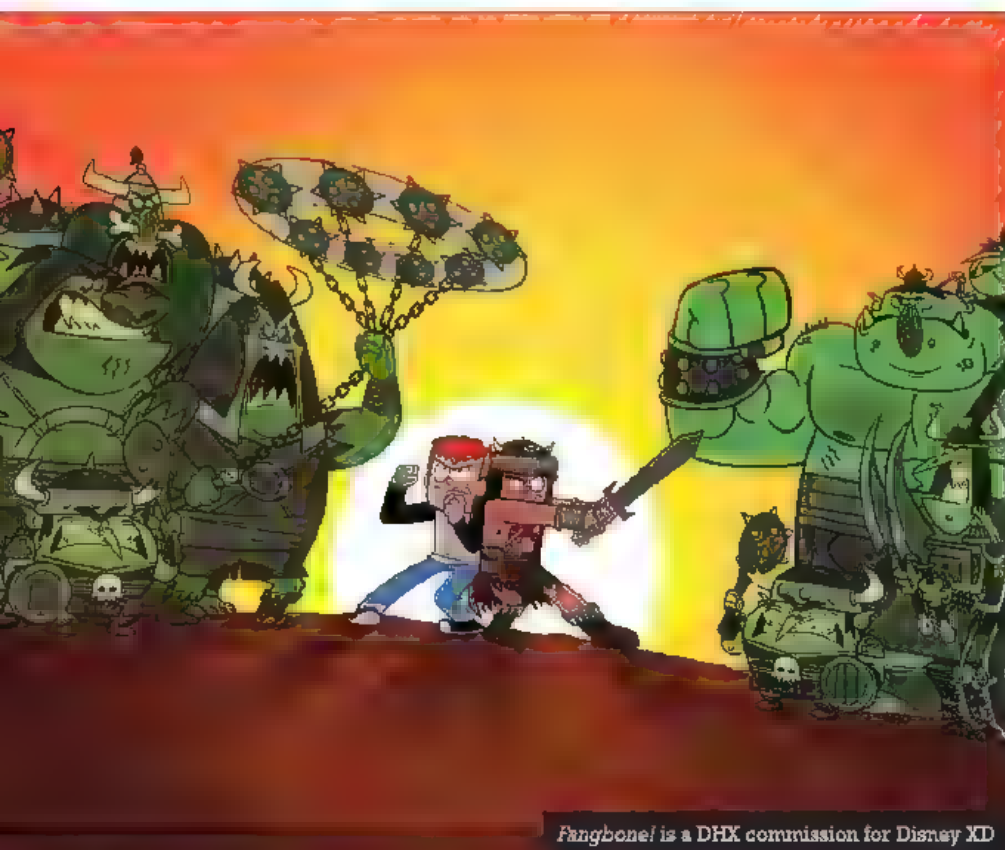
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PANIC IN PARADISE!



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hungry princess character with a thing for pink

Khan says broadcasters keep asking for "sweet, comedic stories with characters that make kids feel good about themselves and help them be stronger and smarter"

Other companies are heading full throttle

into the digital unknown. Skywriter Media sold its 6-11-skewed 52x11mins animated comedy *Camp Lakebottom* to 9 Story Media and is now focusing on its Skyreader Studio authoring platform for interactive multimedia content

"Content players told me their concerns

about not knowing where they'd be in two years, and advertising revenues are falling and audiences are migrating to the internet and SVOD," says Kevin Gillis, CEO and chief content officer. "That's when the penny dropped for me. We started with e-books but realised it was about any kind of content and that we should build something that allows us, and anybody else, to deliver content into a new distribution platform."

He adds that Skyreader is working with kids broadcasters that ask, "Can you make our content interactive so kids have a reason to return for repeatable engagement, and can we include sponsor messaging that can be integrated into the same package?" Among the projects it has serviced is a *Guardians of the Galaxy* e-magazine for Marvel.

9 Story, meanwhile, is using intelligence gathered from its international distribution arm to find copro partners. It became a distribution player in 2010 with *Almost Naked Animals* and is now eyeing copros with the UK following a fruitful partnership with the UK's Wish Films on 52x11mins animated preschooler *Wibbly Pig* as well as Australia and France

Vince Commisso, 9 Story president and CEO, believes broadcast and digital delivery will co-exist to the benefit of IP owners. "Not much has changed for [content suppliers]; one breakthrough title can redefine their economics. The difference now is that more of that sticks to the producer. Digital players are not yet making content. They're partnering with content rights holders to make it, and that's a real opportunity."

9 Story has 10 shows in production. "We recently digitised some of our existing library content and were able to sell this non-exclusively to a major digital provider," Commisso says. "That's a market opportunity that wasn't there just a few months ago."

The current climate is 'good news, bad news.' It's an anxious time as the industry waits and sees how the CRTC's unbundling decision plays out.

"That's going to have to work its way through the system before we understand the impact on content in Canada," Commisso says. He adds, however, that the digital realm holds much promise. "It's good to be in the content business at this moment, and the disruption in distribution that brings producers the opportunity to go directly to consumers with their content will see this moment last for some time" **TBI**



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Future of preschool: digital, global and classic

The shift to on-demand and app-based viewing and distribution is a key trend in a preschool sector that is seeking new ways to embrace digital and to re-launch classic hits, reports Andy Fry

“You can’t get away from the fundamental changes taking place in content distribution,” says

Nick Walters, founder and CEO of UK-based preschool app Hopster, which offers a mix of TV shows, music and educational games in return for a monthly subscription. “Aside from

our service, you’ve seen the arrival of Netflix, Amazon and YouTube in the preschool market. When YouTube’s new kids app was launched at the Kidscreen Summit in February 2015, it was standing room-only. Their presentation had all the rock star appeal of a new TV channel launch.”

A key driver of change is the popularity of the tablet among preschoolers with research

from the US, UK, Netherlands, Scandinavia and Australia suggesting that kids as young as two are comfortable with these devices. Easier to use than the TV and useful for keeping kids occupied when on the move, the tablet is being deployed by parents as an electronic babysitter (and occasional co-viewing device). This, in turn, is affecting the market in two ways, says Walters: “The first is that it’s creating more



Blaze and the Monster Trucks

opportunities for content owners – so in our case we're acquiring preschool titles from the likes of eOne, Hit, Corus, DHX, Millimages and Dreamworks. The second is that the manner of viewing is changing from straightforward linear TV consumption to a more interactive immersive experience."

Walters' summary is illustrated by developments at the major players in the



emerging on-demand market. Netflix, Hulu and Amazon have ramped up their preschool acquisitions, for example. "The new platforms have been an important new set of customers for us and dramatically expanded the opportunities in the business," says Richard Goldsmith, executive VP, global distribution and international consumer products at The Jim Henson Company. "We have licensed titles like *Dinosaur Train* and *Lily's Driftwood Bay* [a third-party title managed by Henson] to Netflix for use across a number of territories. *Doozers*, our preschool animation spin-off from *Fraggle Rock*, was picked up by Hulu in the US for an exclusive first run."

FremantleMedia executive VP, children's and family entertainment Bob Higgins agrees. Having recently licensed *Tree Fu Tom* to Netflix and a slate of kids titles, including preschool show *Kate & Mim-Mim*, to Amazon for Prime Instant Video, he says: "I'm a huge fan of [SVOD] platforms, because they have opened up new windows for our content that complements our relationships with companies like Disney, NBC's Sprout and Cbeebies."

Other beneficiaries of this acquisition spree include Mattel-owned Hit Entertainment, which licensed *Fireman Sam* to Amazon, and ABC Commercial, which licensed Wiggles show *Ready, Steady, Wiggle* to Hulu in the US.

The new platforms are also exploring preschool originals. Netflix greenlit a new series of Guru Studios' *Justin Time*, after the first two seasons – performed well for it. Amazon, meanwhile, took *Tumble Leaf* to series after testing it as a pilot. It also piloted Zodiak Kids' *Buddy Tech*

Detective, though elected not to take it to series.

Developing for Amazon and other new services such as YouTube's kids app (see YouTube on pages 8-9) has various implications for preschool studios, says Michael Carrington, CEO of Zodiak Media-owned production company The Foundation. On content creation, he says: "Creating the *Buddy* pilot for Amazon was a valuable experience for us because it showed us how much faster you need to develop shows for these emerging platforms. We made *Buddy* in about half the time we would have done for TV."

On the content-as-experience point, he says: "We're just launching *Floogals* (see Hot Picks on page 30), a 52x11mins CGI/live action series commissioned by Sprout in the US. While the key focus has to be on creating a great show, it's not enough anymore just to make a TV show. You've also got to create digital assets that allow you to engage with audiences across platforms."

FremantleMedia's Higgins endorses this view: "As you're rolling out your show, you've got to be thinking about how you'll deliver a 360-degree experience otherwise you end up frustrating kids. In the case of *Tree Fu Tom*, which is now going into its third season on Cbeebies in the UK, our activity in SVOD, apps and licensing and merchandising helps reinforce the relationship with kids. We're developing a similar framework for *Kate & Mim-Mim*, another show of ours that airs on Cbeebies, Disney Jr and Super RTL."

Patrick Elmendorff, CEO, Studio 100 Media outlines a similar strategy: "We are partnering with Netflix to give viewers outside the Benelux access to our CGI productions *Maya The Bee*

and *Vic The Viking* starting in April 2015 and this year will be the year when [short three-minute] Studio 100 programmes will enter YouTube worldwide with its own channels."

While preschool content creators are glad to see new buyers, tough competition means it is still hard for new properties to launch, scale up and survive long enough to generate a meaningful return. Indeed, preschool brings with it specific problems. The first is the longevity of classic properties, which can be reintroduced to new audiences every three-to-four years. The second is the risk-averse nature of retailers, which makes it hard for untied properties to displace established brands from the shelves. Given that most preschool properties cost millions of dollars to make, an

AUSTRALIA ON DEMAND



The Jim Henson Company's *Eliot & the Steam Engine*



Florie's Dragons from Studio 100

inability to crack L&M means a show can take numerous TV distribution cycles to break even.

This financial squeeze explains the degree of industry consolidation, with Dreamworks Animation acquiring Classic Media, Mattel acquiring Hit and DHX acquiring Ragdoll to create three preschool powerhouses outside the US studio system. It also explains why so many 'new' preschool shows are actually revamps of heritage brands or have some other kind of in-built marketing hook that makes them stand out.

Among titles being brought back are historic classics like *The Wombles*, *The Clangers*, *Peter Rabbit* and *Pinocchio* and more recent hits such as *Teletubbies* and *Bob the Builder*.

Studio 100's Elmendorff cites an additional reason why heritage brands work well "Because parents are very critical when selecting a TV series for kids, they prefer series they watched themselves when growing up. Broadcasters also take the loyalty behind brands into consideration.

"Our key preschool property is the new modernised CGI series' *Maya The Bee*, centred on the famous children's books and classic TV series' from the 1970s. We also have literary-based shows include the *Florie's Dragons* and *Zigby*," he adds.

Other companies follow suit. The hook in Zodiac's *Floogals* is that it is made by the creator of a proven property, *Waybuloo*'s Dan Good, while Henson's *Doozers* is spin-off from *Fraggle Rock*. At FremantleMedia, the latest preschool title to be launched is book-based property *Ella The Elephant*, while Netflix has ordered *Super 4*, a CGI animated series inspired by Playmobil.



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After the success of *The Lego Movie*, who would bet against that?

One obvious question, of course, is whether it is possible to create a preschool hit from scratch in the current climate. Higgins believes so, pointing to *Free Fu Tom* and *Kate & Mim-Mim* as evidence of his own company's continued belief in origination. "Both those shows have incredibly strong central propositions, so I see no reason why they can't establish themselves as strong preschool brands." Henson's Goldsmith says the same: "*Dinosaur Train* is entering its fourth season and has become an important show for us. It's on in 200 countries and is starting to build a strong L&M presence."

Katell France, managing director, Studio 100 Animation, is equally upbeat about origination. "There is still strong demand for original preschool programmes. It may take more time to develop and finance, but I believe it is possible to launch a new preschool show from scratch as long as we have a strong hero and a good story to tell with positive and reassuring



Peppa Pig is a billion-dollar brand for Entertainment One

values that would speak to the children as well as the parents."

L&M is a major consideration for preschool studios and particularly the indies that don't

have advertising and subscription revenues coming in from channels. However, L&M revenues take a long time to start flowing. "We are one of the biggest independent preschool content distributors in the world," says Henson's Goldsmith, "but even we aren't resourced to drive ancillary revenues in the way the US studios can, so it's important to be patient. Sometimes you'll hear people talk about overnight L&M successes, but if you look closely 'overnight' in preschool, it is often five years or more from launch to L&M success."

The classic case in point is eOne's *Peppa Pig*, which topped US\$1 billion in revenues last year. The number one preschool brand in the UK, Spain, Italy and Australia, 2015 is expected to be a big year in the US with *Peppa* product now available in supermarket chain Walmart for the first time. However, it is a sobering thought that *Peppa Pig* launched 11 years ago.

Peppa's success has inspired others into preschool and may also have kickstarted a revival of 2D. "It seems that preschool has become the home for 2D animation in the 21st century," says Elmendorff. "Many smaller 2D studios in cooperation with regional broadcasters are producing classical 2D shows like *Peg + Cat*, *Poppycat* and *Sarah and Duck*, especially Great Britain and Ireland which are currently very prolific here."

The general consensus is that Disney, Viacom and Turner will take advantage of the new OTT platforms rather than fall foul of them, through content partnerships, so it is worth noting how important public broadcasters continue to be in helping indies build preschool

THE STUDIOS STRIKE BACK

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franchises. Henson and Sesame Workshop both owe a debt of gratitude to PBS while, in the UK, FremantleMedia has built its preschool portfolio on the back of a partnership with the BBC, as Ragdoll did previously.

Canada's Tricon Film & Television is also building a kids and family slate, and has two preschool shows on offer, both of which have had pubcaster backing. The first is *Shutterbugs*, produced by Amberwood and Big Jump for TV Ontario. The second is an Irish show called *Wildernuts* produced by Kavaleer Productions for RTE. "*Shutterbugs* has a science and technology theme to it, while *Wildernuts* is an adventure show with an ecological/biodiversity dimension," says Tricon sales chief Jon Rutherford. "There's no question preschool is a really saturated segment but there is still strong demand for curriculum-based or educational content."

A number of execs agree that education has a key role in their preschool plans, given that this is the one age group where parents still have a say in what their offspring watch.

Peg + Cat is a preschool problem-solving series made by The Fred Rogers Company



Amazon series *Tumble Leaf*

for PBS Kids. Recently recommissioned for a second season, it has been licensed to 30 countries by 9 Story Entertainment. Buyers include Discovery Kids Latin America, Treehouse in Canada, Canal+ in France, Super RTI in Germany, SVT in Sweden and Hop in Israel, underlining the range of broadcasters still looking for educationally-oriented content.

The show also has 360-degree components such as interactive games and digital storybooks.

One other striking trend about the modern preschool market is the way barriers between markets have come down. To some extent this has always been the case with coproduction, but there is now a willingness to commission from the global preschool village.

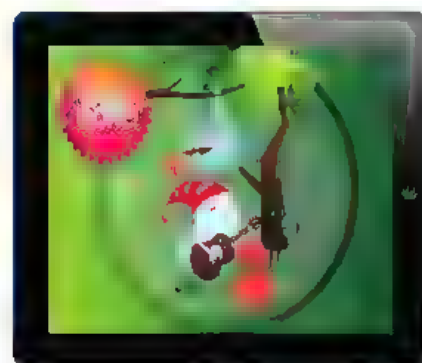
This may have been driven to some extent by Netflix and Amazon's borderless model, but examples that underline the point include the BBC's *Furchester Hotel*, based around Sesame Workshop characters, and *Floogals* - a UK-originated show being made in the UK for US kids network Sprout.

"*Floogals* is interesting because it benefited from the recent introduction of the UK Animation Tax Credit," says Zodiac's Carrington.

Acamar's preschool toon, *Bing Bunny*, also benefited from UK tax credits. Coupled with the BBC's policy of ensuring kids shows are produced within the UK, this may signal the re-emergence of the UK as a preschool competitor to France and Canada. **TBI**



Above, Tricon's *Shutterbugs* and, right, *Hopster* iPad app



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Kids Hot Picks



THE SHOW: *Paprika*
THE BROADCASTER: France 5
THE PRODUCER: Xilam Animation
THE DISTRIBUTOR: Xilam Animation

"*Paprika* is our first ever preschool show and it features a unique relationship between the two main characters," says Xilam founder Marc du Pontavice about the French producer and distributor's new show. The pair are twin brothers, one of whom is handicapped. "The series shows that you can live well despite physical disadvantages," he adds. "I'm delighted with the tone and the look, which is very vibrant and manages to portray the world as kids see it, with that edge of fantasy creeping into everything."

As is usually the case with Xilam, there is plenty of humour: "Most preschool shows are very cute with adorable characters, but I am proud that we have created a genuinely

funny show that is full of surprises and that adults can also enjoy," du Pontavice says. "It will be launched at MIPTV and based on feedback, we will be aiming first for deals in Europe, South America and Asia, which is where we've had the most positive reaction."

In marketing terms, Xilam has been sending out clips for the last 18 months.

"It has been a slow-burn campaign just letting people know that we are doing a preschool series," says du Pontavice, "but also reinforcing the fact that we never start a project until we know why kids would watch, because it's never easy to get them away from their favourite shows. We're confident that *Paprika*'s combination of humour and visuals will click with the audience."

THE SHOW: *The Moe Show*
THE DISTRIBUTOR: Jetpack Distribution
THE PRODUCER: Pop-Up Workshop
THE BROADCASTER: Four Kids (NZ)
THE CONCEPT: Curriculum-based show about a Maori-inspired puppet living in a treehouse

Newbie distributor Jetpack will celebrate its first birthday at MIPTV. The result of a partnership between Canada's Nerd Corps Entertainment, France's Samka Productions, and former Disney UK exec Dominic Gardiner's Gardiner Entertainment, it has been steadily been picking up third-party content during its freshman year. It arrives



Hosted by Phil McCordic, *Science Max Experiments at Large* turbocharges table-top experiments that are usually done in the science lab. An episode starts with McCordic demonstrating a small-scale experiment and shows the audience how they can do it at home. The experiment then becomes super-sized as he takes the ingredients, the location, and the equipment to a bigger level. Emphasis is put on the trial and error aspect of how to make the experiment bigger. McCordic and his team progress through various stages to come up with the best design to make the experiment successful on a maxed-out scale.

"The show is literally larger than life and presented by this highly engaging mad professor-type called Phil McCordic. On one level it is pretty straightforward kids factual entertainment, but when he starts creating these experiments, such as building a six-foot long paper plane, you see that this is not

your average show," Nat Abraham, CEO of Breakthrough Distribution says.

"It's the sheer size of the experiments that does it; this is not an outdoor classroom, it's really something else. Like when he builds an outsized Go Kart using a rubber band to demonstrate propulsion, or a Popsicle stick catapult. Phil uses everything he knows about elastic energy to build a full-size catapult that hurls pumpkins, followed by a – sort of – historical re-enactment of how catapults were used in medieval days."

Abraham sees the show as appealing to a global audience: "We've done several email blasts with clips, and have been sending out teasers for a while, and judging by the reactions we've had I believe that this show will go down well everywhere, because it has no cultural or intellectual boundaries and it is one of a kind. The official launch is at MIPTV and we'll be there with a couple of finished episodes plus the sizzle reel."

at MIPTV with a live-action preschool series hailing from New Zealand, *The Moe Show*.

The puppet series goes out on the Four



Kids block on Kiwi free-to-air commercial channel Four. It follows Moe, a Maori-inspired Bigfoot-type monster, who lives in a treehouse on the top of New Zealand's Mount Moehau, with his teddy.

"The curriculum is about discovery and the world about you, but it is fairly light," Gardiner says. "There is learning about a letter in each show, but this isn't a didactic letter-learning show."

The show comes to life when Moe ventures out of his treehouse, the Jetpack exec adds. "You can do things with puppets you can't with other genres and something special happens when you see how the kids interact with Moe."

Shot in 4K, a second 52x11mins is in production.

THE SQUIRREL CLUB
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BBC Worldwide will be shopping *Hey Duggee* at MIPTV, a preschool toon that was commissioned for both the UK CBeebies channels and its international equivalents.

It is on air in the UK and has launched in Australia with the rest of the world to follow.

Duggee hails from the UK indie behind *Lost and Found*, Studio AKA, and specifically, its director Grant Orchard. It follows activity in The Squirrel Club, a fun club for different animals that is run by Duggee the dog.

Hennetta Hurford Jones, director of investment for CBeebies' global channels was responsible for the international component of the dual commission. She says the series has an auteur, creator-led feel.

"There's nothing cynical about this show and it is clearly someone's vision," she says. "It is very playful without ever talking down to the audience, and there is also a lot in there for the carers who are watching."

Alexander Armstrong, the well-known British comedian and presenter of quiz show *Pointless*, provides the voiceover. The emphasis is on learning through play, with activity badges to be earned.

"It has a simple graphic design, which makes it look young, but there is also a lot that kids [at the older end of the preschool range] can take out of it," says Hurford-Jones.

Hey Duggee debuted at Christmas, and BBCWW's sales effort is now underway. Buyers





THE SHOW: *The Popples*
THE PRODUCERS: Saban Brands, ZAG Entertainment

Reinvention has been a buzzword in children's TV circles in the past few years, with various brands being retooled and returning to screens. Netflix has got in on the trend with its reboot of 1980s brand *The Popples*.

The streaming service recently licensed a 26x30mins animated series from Saban Brands. It follows on from a 1986-87 Saturday morning US series, with France's ZAG Entertainment attached as a coproducer.

Saban, which acquired the *Popples* from American Greetings, is now taking it to market as a flagship property for its new sales wing, which Fred Soulie is heading up as senior VP, global distribution.

The Popples toon will be a comedy featuring five multicoloured, marsupial-like creatures (BPPs, or 'Best Popple Pals') who live in Poppopolis. "It's about these five friends, three

female and two male, who try to help but often end up causing more trouble," says Soulie.

He adds the brand, which was born as a plush toy for girls in the era of Care Bears and similar properties, will be more genre-balanced in its new form, with Spin Master Entertainment creating a new toy line that will still have a slight girls skew.

For Netflix, Soulie says the brand represented a clear opportunity and he suggests it could perform similarly for other channels. "If you look at Netflix's order of originals, this hits on all levels for them," he says. "They are looking for IP with legs and this clearly meant something to them – many of their executives could have been watching it growing up."

Saban will be in Cannes with the half-hour version and a reformatted 52x11mins format. ZAG has French rights.

THE SHOW: *Wind in the Willows: Mole of Mole End*

THE PRODUCER: Hoho Entertainment

THE DISTRIBUTOR: Hoho Rights
THE DESCRIPTION: Mole, Ratty and Toad are back to introduce a new generation of children to *The Wind in the Willows*

"Dealing with classics is a sensitive business," says Hoho's joint-managing director Oliver Ellis, who has form in this area having breathed new life into *Postman Pat* among others. "These shows are classic because the characters are enduringly and genuinely appealing, so it's more a question of bringing them up to date. In this case we added a couple of female characters, Squirrel and Rabbit, who are feisty and independent, but it's still in a genteel woodland setting, and Toad is still childish and faddish."

Ellis sees the show as a natural bridge to older demographic segments: "The intention is very much that we create a show that will be appealing to preschoolers as well as older kids of seven or eight, and judging from the reactions we've had, we've achieved that. The show's strengths lie in the fact that it's character driven, has loads of great stories, and you don't have to explain anything to parents, they know it already so they trust the concept. Plus in Martin Gates we have a genuinely great producer who knows how to tell a story and stay true to the show's DNA."

The series is at too early a stage for any sales: "We're only now starting to talk to broadcasters, but the fact that *Moles' Family Christmas* [produced by Gates] was sold to 213 territories from the UK gives us confidence," Ellis says. "We will certainly be prioritising Scandinavia, northern Europe and the English-speaking territories."



Make it Pop takes the cultural phenomenon of Korean K-pop music that Psy's viral earworm Gangnam Style began, and transplants it into a North American boarding school setting.

Shooting at Epitome Studio in Toronto, Canada, the 20x30mins tween girl-targeted series looks at a "genre that hasn't really been explored in a series like this for a global audience before," says DHX Media's senior VP, distribution, Josh Scherba.

The musical comedy show follows the bookish Corki (Erika Tham), fashion-inspired Jodi (Louriza Tronco), and social media guru Sun Hi (Megan Lee). They go from roommates to bandmates after creating a K-pop group. Each episode includes original songs and performances, and there is a male DJ character who acts as an entry point to for boys.

The sitcom is serialised, which makes its suitable for stripped scheduling and "unlike other tween sitcoms that usually have more stand-alone episodes," says Scherba. "Instead of being formulaic, the series can be much more dynamic."

Thomas W. Lynch and MTV presenter Nick Cannon co-created *Make it Pop*, and they exec produce along with DHX's Steven



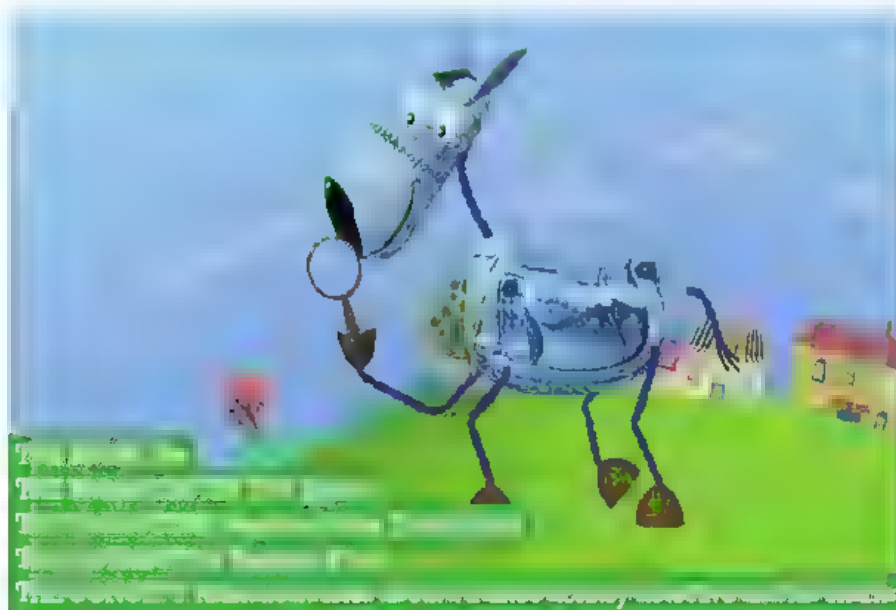
DeNure and Anne Loi. As a part-time rapper and ex-husband of soul siren Mariah Carey, Cannon gives the show musical pedigree, but Scherba has this is only part of the appeal. "Music is the core, but you live and die by your storylines," he says.

Make it Pop is major effort from Epitome, the Canadian studio DHX took over in a US\$33

million deal 12 months ago.

"Combining Tom Lynch's talents with the resources of Epitome is a huge strength of the show," says Scherba.

Though Nick has secured the show for international pay TV, DHX has distribution rights and is targeting free-to-air sales on a territory-by-territory basis.



Tex the donkey is billed as the worst trainee detective in the world. In *Tex*, his adventures are captured in animated form.

The TV3 toon, from Spain's Neptuno Films and China's Zhong Dong, has a cast of characters including the titular donkey, plus Mrs Tortoise, whose shell is made of smooth river pebbles, a caterpillar made of corks, and Mr Hedgehog,

whose spikes are sharp colour pencils.

"The show offers a fantastic world full of surprising characters, and it genuinely has a very different look," says Neptuno Films' founder Josep Viciana. "That's essential these days if you want to have any chance of standing out. We used everyday objects to create the characters, for example there's a mole made from a baseball ball,

the sun is an orange, and everything and everyone you see is both familiar and slightly off kilter."

He adds: "From a technical point of view, the show started out in 3D, but we realised early on that it wasn't giving us the look and feel we wanted, so now it's a hybrid of 2D and 3D. Thanks to that, the movement is very fluid."

"The reactions and feedback that we've had are extremely positive. We're confident we've done something genuinely different that will appeal to younger kids by virtue of its look, and to older kids up to eight thanks to the strength of the stories."

The Neptuno boss says that the show is very European, even though the music is quintessentially American. "The music is country and western, and Tex, an anti-hero detective who is utterly clueless, has a kind of a John Wayne drawl," he says.

After the official launch at MIPTV, Neptuno will focus on Europe and Spanish-speaking territories.

"We've been teasing buyers for a while now, and judging by what they've said we're right to believe in the show so much," Viciana says. *Tex* will be ready for delivery in both Spanish and English in December.

Viacom International Media Networks is making a live-action play at MIPTV with *Bella and the Bulldogs*, a comedy series about the titular teenage cheerleader Bella Dawson, who is played by *The Haunted Hathaways'* Brec Bassinger. The twist is that the cheerleader becomes an American football player when she tries out for quarterback of the school team.

The premise sets up a fish-out-of-water dynamic as Bella figures out how to fit in with the guys on the team. "Personally and professionally, I like the idea of girl going into that traditional boy's environment; a girl in a boy's world, giving them a run for their money," says Caroline Beaton, senior VP, international programme sales, VIMN.

"Even if you can't relate to American football, you can relate to high school sport, and the challenge of being a girl in an alpha male environment," she adds.

With its female lead, the show has a female skew, but there are plenty of boy characters and it has attracted a mixed audience in the US (in testing Bella was boy viewers favourite character). The 20x30mins series, which targets 6-to-10s, comes from Gabriel Garza and Jonathan



Butler, who were previously staff writers for *The Haunted Hathaways*, and they also executive produce alongside Jeff Bushell (*Marvin Marvin*).

It performed well in the US and will have just launched on Nick internationally as MIPTV gets underway. "Whether it's preschool animation

or live-action, there are only so many slots and there can only be one or two breakout hits per territory," Beaton says, "but there is definitely space for a live-action hit at the moment."

Nick in the US has renewed *Bella* for a second season, meaning more volume for buyers



Curious and super-cute, the *Floogals* are pepper pot-sized alien adventurers on a mission to explore a new world – planet Earth. Using a combination of CGI and live-action, *Floogals* follows the comedic adventures of three tiny aliens as they question, collect and

explore the world of the 'hoomans'. According to distributor Zodiak Rights, every episode is an 'extraordinary adventure'.

"The show has an amazing look thanks to Dan Good, who worked on *Waybuloo*, and in fact it has benefited greatly from what was

learnt on that series," Michael Carrington, CEO of Zodiak prodco The Foundation says.

"We were looking to create genuinely seamless integration between the real world and the CG. Jellyfish, which normally makes high-end commercials did a brilliant job, so much so that we've set up a joint venture studio with them. The textures are so glossy and the shadows so brilliantly rendered that it is very convincing. The reactions from buyers tell us that we got it right."

However, it's not just about the look, adds Carrington. "The storytelling and pacing are just right for the upper end of the preschool segment, and the way that it represents a kid's world is stunning. For example, the interaction with everyday objects like a hosepipe or a trumpet is utterly convincing."

The show will go out on Sprout in the first quarter of 2016. "We see this as a show with genuine global appeal," says Carrington.

"We premiered it at Kidscreen and immediately had some offers. We'll be reinforcing the buzz the show has created with a press campaign, and reactions generally have been so positive that we're already working on ideas for a second season."

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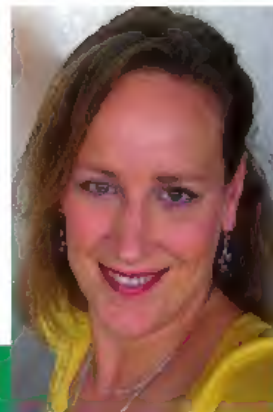
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LAST WORD

GENEVIEVE DEXTER



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I hope it does not sound fatuous when I say that whilst all kids IP projects are special, the people behind them are even more special, because quite frankly it is only a game for entrepreneurs of the strongest mettle.

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At Serious Lunch we specialise in raising funding for children's IP, which is a multi-part model entirely distinct from mainstream programming. We regularly struggle with the ideal mission of raising millions of pounds from multiple sources without giving the lion's share of the equity away.

While we always try to maximise the ideal soft money, we have made the mistake of confusing what we consider to be the most logical route and what is compatible with the entrepreneur profile.

We raised £10 million (US\$15 million) for the sale of *The Wombles* without taking seriously enough the ambition of *Wombles* owner Dramatico to open an animation studio and to write and direct both a feature film and a TV series. The real and present danger of selling the brand to the highest bidder only served to galvanise Dramatico's resolve.

It is often entrepreneurs who enter the kids business with the advantage of blind optimism that are the ones to break through – think *Lazytown*, *Peppa Pig* or *Minecraft* – and it is to the BBC's credit that it often commissions newcomers, as in the case of indie Squint/Opera's *Messy Goes to Okido*.

Common to all such projects is the desire to keep as much control as possible, and to do everything in-house. However, by the point you are 80% funded, even the most single-minded entrepreneur will admit that they need a toy manufacturer or a distributor.

The selection of these partners should, however, be strategic for the long term, because unless you get a returning series, TV programmes are like waves on a beach.

For example, there is no point partnering with a commercial entity whose short-term

ambition is to be vertically integrated if you have the longer term in mind.

So if the aim of the project is to build an entertainment company, then as much control as possible is the right way to go because it is part of a bigger picture.

Most entrepreneurs want to avoid international coproduction and their dynamic profile makes them attractive to private equity investors, but there are a number of factors that make this a hard match-up for funding one-off traditional projects.

The selection of the investor is important because unless they have deep pockets, they will not be returning for season two before the first has recouped the investment.

Therefore, your funding model must be one that you can repeat within the first three-year cycle. Additionally in the UK, the EIS/VC pitch process is often structured around convincing the investors that your project is the only one you are ever going to make and will fill every waking moment of your life. You must demonstrate that you are equally at risk, that this is top-up funding matching soft money and that the last money in attracts a premium.

This was the case in point with the £4.5 million raise for *Messy Goes to Okido*, which resulted in opening a 50-seat CGI studio in south London in 2014 and the subsequent creation of Eye Present, a joint venture between Serious Lunch and Squint/Opera. Our investors have gracefully conceded that the expansion of the business will assist and not hinder the future of the brand, but I am not sure that could have worked early on.

Hopefully our next raises, for Yogscast's Minecraft-inspired *Xephos & Honeydew* and Cbeebies' *Chucka Bops*, will be easier.

When looking at your next project, take time to examine your business culture, as this will ultimately dictate how you go about it. Be prepared to dig deep early on. **TBI**

Are you a builder, an opportunist or an innovator? Are you embracing your inner Womble, expanding a creative hub around your property or developing a new entertainment tech brand?

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